MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018 / 2019

DBL5028 – COMPANY LAW

(For Diploma Students Only)

12 MARCH 2019
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **2** pages with 4 questions.
2. Answer all questions.
3. You are required to cite relevant provisions and case laws.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

a) Directors are the person in whom the management of the company is entrusted. Discuss the following:

i. Removal of director in a private company. (8 marks)

ii. Loan to person connected with director. (7 marks)

b) Diamond Sdn. Bhd. is a well-known company located in Johor Bahru. Recently one of the directors has resigned. The members of the company agreed to appoint Vincent to replace the resigned director. However, last year Vincent has been convicted with fraud and bribery in his previous company. He has informed the members regarding his past conviction.

Advise Diamond Sdn. Bhd. whether Vincent is qualified to be appointed as a director of the company. (10 marks)

[Total : 25 Marks]

QUESTION 2

a) Early this year, Anura has been appointed as an auditor at Myhome Sdn. Bhd. During her audit, she found few irregularities in the accounting statement of the company. She informed the directors about her finding and told them that she will report it to the members in the general meeting of the company. Few days later, Anura found out that the general meeting has been held but she did not receive any invitation to attend the meeting. She confronted one of the the directors regarding this matter and the director told her that only members and directors of the company have right to attend the meeting.

Advise Anura whether her right as an auditor has been denied. (10 marks)

b) Explain the following:

i. Obligations of auditors. (6 marks)

ii. Auditor's privilege. (9 marks)

[Total : 25 Marks]

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QUESTION 3

a) Briefly discuss the allotment of shares in a company. (17 marks)

b) Explain **TWO (2)** types of preference shares. (8 marks)

[Total : 25 Marks]

QUESTION 4

a) Discuss the advantages and disadvantages of sole proprietorship. (10 marks)

b) List down **FOUR (4)** types of partners. (4 marks)

c) Briefly explain the following:

i. Liability of partnership (5 marks)

ii. Legal action in partnership. (6 marks)

[Total : 25 Marks]

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